

Upper Mississippi River-Illinois Waterway System Restructured Navigation Study
Public Meeting Minutes
March 13, 2002
Marriot Airport, St Louis, Missouri

1. Attendance

83 members of the public attended the meeting. Officials and staff of the Corps of Engineers, state and local governments, and non-governmental organizations (NGOs) also attended. Organizations in attendance included the American Waterways Operators-Midcontinent Office, Audubon Society, Ceres Consulting L.L.C., Grain and Feed Association, Illinois Corn Growers Association, Illinois Farm Bureau, Illinois Soybean Association, LaFarge North America, MARC 2000, Midland Barge Company, Mississippi River Basin Alliance, Missouri Coalition for the Environment, National Corn Growers Association, New Bourbon Regional Port Authority, Sierra Club, St. Louis Building and Construction Trades Council, Tower Rock Stone Company

2. Welcome

At 6:30 Bill Wiedman introduced the meeting structure, procedures and basic information. He then introduced the project manager, Denny Lundberg.

3. Formal Presentation

Denny Lundberg gave a formal presentation describing the Upper Mississippi River-Illinois Waterway System Restructured Navigation Study. He then introduced the following people:

Rick Nelson – US Fish and Wild life Service
Bob Goodwin – Maritime Administration
Mike Wells – Department of Natural Resources, State of Missouri
Jeff Parks – Economic Coordination Committee, State of Missouri
Dan McGuiness – Audubon Society
Mark Beorkrem – Mississippi River Basin Alliance
Chris Brescia – MARC2000
Paul Bertles – National Corn Growers of America
Gary Clark – State of Illinois
Rich Manguno – Corps of Engineers, New Orleans District, Economics Team Leader
Rich Fristik – Corps of Engineers, Rock Island District, Environmental Work Group

4. Question and Answer Period

The public submitted written questions which were answered as follows:

Question: Can you guarantee that the interim report will be on time and that the feasibility study will end Sept. 2004?

Denny Lundberg, Corps : It's been made very clear by a three-star general that there is to be no change in schedule, and we must meet the deadline.

Question: Who pays for new locks or lock extensions? Who pays for environmental restoration?

Chris Brescia, MARC2000: New locks and lock extensions would be paid for by 50-50 cost share between inland waterways and fuel tax and general revenue from Congress. Environmental Restoration funding is

more complicated. The funding depends on which program within the Corp of Engineers the environmental restoration funding comes through. I know that the environmental management program is fully federally funded and there are some other programs that have some cost sharing.

Mark Beorkrem, MRBA: Environmental Management programs are cost shared with the states. 65 federal -35 state cost share is fairly typical of current environmental restoration projects. In the restructured study we are trying to figure out how to deal with the 35% cost sharing because the cost of environmental restoration could be about a billion dollars.

Question: When evaluating lock extensions vs. new locks are you taking into account benefits to recreation boaters? If not, why not?

Rich Manguno, Corps: No, we are not evaluating lock extension vs. new locks for recreational boaters because currently there is usually space available in the recreational lock that would accommodate any future growth in traffic.

Question: What are tradable permits and how will they be used?

Rich Manguno, Corps: Tradable permits are non-structural improvements that could be implemented in an effort to improve efficiency of the existing system. The general concept is that slots of time are allocated to individual movements of traffic. Individual movement would attempt to acquire adequate slots at each lock in an effort to minimize delay time.

Question: Will the study include updated estimates of fuel efficiencies of truck, rail, and barge traffic? Will it also include total transport expenditures (energy and \$) from start to finish that would cover both land and water modes?

Rich Manguno, Corps: We will not update fuel efficiency estimates; we will use the current figures we have been working with. The analysis does currently include several transportation expenditures both in energy and dollars. It does include expenditures from ultimate origin to ultimate destination.

Question: How are you factoring in the study that while we wait another two years our competition is investing against us?

Rich Manguno, Corps: The scenario analysis will have a component that attempts to include world competition, specifically from South America.

Question: How do you know that the fish in the river even want to move between pools?

Rick Nelson, US FWS: There are fishery biologists who study the fish. There have been numerous tagging studies that show paddlefish and sturgeon move upstream into the tributaries. The sunfish move into the backwaters to breed. So, there is evidence that there is seasonal movement of fish up and down the river that are somewhat impeded by the navigational pools.

Question: What does the US Fish & Wildlife Service contribute to addressing environmental issues on the river?

Rick Nelson, US FWS: The US Fish and Wildlife Service has worked closely with the Corps for many years on many different projects. The USFWS owns 280,000 acres of National Wildlife Refuge land and manages General Plan Lands that belong to the Corps. The US Fish and Wildlife's budget is about 4 million a year for work on the Mississippi River.

Question: Is traffic growth incompatible with restoration based on what we know today?

Rick Nelson, US FWS: No, that's really what this whole study is about. Over the years there has been a big investment in maintaining the navigational system; there has been less of an investment in maintaining the ecosystem. In the restructured study, we are working on finding a balance between navigation, ecosystem and floodplain management.

Question: What did we learn from the \$30M of environmental studies?

Rich Fristik, Corps: We learned a lot. We learned that there are identifiable and quantifiable natural resources on the river. The Corps has identified 30 backwater and side channels that will be susceptible to increased sedimentation. The Corps also identified specific number of adult fish that would be lost.

Question: Can we estimate the impact of increased traffic accordingly?

Rich Fristik, Corps: Yes, we can estimate the impact of increased traffic based on models. The models estimate the impact the barge will have on life in the river.

Question: Holistic? Is there any concern about disease coming from the wetlands such as West Nile disease?

Rich Fristik, Corps: Not sure what holistic means. With wetlands there are more bugs that might carry disease, but we did not specifically look at this in the study.

Question: What are the environmental costs of the decoupling process? And is this being considered?

Rich Fristik, Corps: We haven't taken a close look at the environmental costs. There is a potential for fish to be trapped in the locks.

Question: When will we be able to see numbers or clear information about specific mitigation requirements that might be proposed for increased commercial navigation traffic on the river?

Rich Fristik, Corps: We will see this in the Feasibility Report that is scheduled for completion in 2004. The Feasibility Report will include a draft Environmental Impact Statement that will include a mitigation plan, which is formulated in conjunction with the Fish and Wildlife Service and other agencies.

Question: What impact will "adaptive management" have on continued navigation on the Upper Mississippi River?

Rich Fristik, Corps: When the Corps formulates plans to improve the environment, the Corps will use its best judgment based on the knowledge out there. But if those plans, following some monitoring, are not achieving the desired results, then the Corps will reevaluate and perhaps take a different approach. The Corps plans, monitors, evaluates and then reevaluates.

Question: It seems that that the Corps has historically given environmental concerns less importance than needed. Under the new study will the Corps be willing to delay or forego navigation growth to achieve environmental sustainability?

Rich Fristik, Corps: The restructured study will be looking at improvements to the navigation structure as well as improvements to the environment. So, if there is a need identified for improved infrastructure then that's what the study is going to look at.

Question: Who pays for maintenance dredging, rehabilitation of old infrastructure, and other extended costs?

Denny Lundberg, Corps: The operation and maintenance activities on the river are 100% federally funded. Rehabilitation is cost shared 50-50 with the Trust Fund.

Question: The corps has stated its new goal of a balance approach to river management, including environmental issues. However, its budget is still heavily weighted toward navigation and flood control (historical numbers show less than 10% devoted to environmental monitoring and restoration). Why? And when would we expect it to change?

Denny Lundberg, Corps: With the Restructured Study, the Corps is trying to provide an honest balance with moving forward. The Corps will include recommendations on both sides of this issue. Congress sets budgets, so the general public has an input on budgets.

Question: If navigation operation and maintenance is 100% federally funded, why isn't ecosystem restoration in the floodplain 100% federally funded?

Denny Lundberg, Corps: The Corps is looking at different funding options for ecosystem improvements in the Interim and Feasibility Reports. Mitigation that comes out of navigation improvements will be cost shared with the Trust Fund. The Corps will be looking at a broad range of possibilities.

Question: Why don't the barge corporations have to pay for the environmental restoration since they cause the damage?

Denny Lundberg, Corps: This study will be looking at various funding options. Mitigation from navigation improvements would be funded out of the Trust Fund.

Question: What progressive action will the Corps make to account for and rectify the budget cuts in the FY 2003 EMP, while at the same time desiring more barge capacity that will only increase the harmful environmental impacts?

Denny Lundberg, Corps: The study team recognizes that this is bad timing. The Corps has taken the message to Congress that the budget cuts are hurting the Corps position of taking a balanced approach. The Corps is doing all they can.

Question: Will you be looking at traffic scheduling for improving navigation, as recommended by the NRC? What chances are there of this being adopted in preference to new locks or lock extensions?

Rich Manguno, Corps: The study does address scheduling in the final Feasibility Report. The Corps does not know at this point if scheduling will be adopted.

Question: If the navigation improvements are so beneficial and have positive cost benefits, why are the tax payers being asked to provide corporate welfare to pay for the navigation improvements? In other words, why don't the Barge Corporations pay for all the costs and let the free market work?

Rich Manguno, Corps: The Corps is still in the process of trying to decide what the benefit/cost ratio might be for the navigation improvements. The cost sharing arrangements are decided by Congress.

Question: Will you do an EIS on the navigation project? Will you do an analysis of impacts going back to the original modifications of the river? i.e., beginning in the 1850's -- even prior to the 9 ft. channel, habitat was already degraded.

Rich Fristik, Corps: Yes, the EIS will be part of the final Feasibility Report. Any prior and future impacts will be included as part of the cumulative effects portion of the Environmental Impact Statement.

Question: Explain what "Flood Plain Management as it relates to navigation" means.

Rich Fristik, Corps: Floodplain management looks at the potential to restore some habitats that have been lost along the river. Floodplain management is a lead objective of the Upper Mississippi River Comprehensive Plan. Any results that come out of this study will be looked at in light of navigation and environmental improvements, or conductivity on the river. Lateral conductivity includes restoring some floodplain habitats that have been lost. Longitudinal conductivity includes fish passage.

Question: There's material at this meeting that suggests farmers don't benefit from lock improvements. Why is this issue important to farmers?

Paul Bertles, National Corn Growers of America: In the US, 20-25% of the corn production is exported annually, so any improvement will directly help the farmers. Inefficiencies at the locks result in lower prices for farmers and higher prices compared with the rest of the world. Right now, the US is losing both ways.

Question: As a floodplain farmer, I am concerned about the effects of floodplain management. How are my interests protected in the study?

Dave Leake, Corps: In the Upper Mississippi River Comprehensive Plan study, the Corps is looking at various uses for the floodplain including commercial uses associated with agricultural as well as ecological uses. We are trying to strike a balanced approach for various uses. One of the required alternatives for this study is to address systemic floodplain reduction. This is a three-year study and should be finishing right after the Navigation Study.

5. Statements

Gary Niemeyer, Illinois Corn Growers Association: Navigable rivers provide an efficient and economic corridor for moving large amounts of cargo. Our current locks are outdated, creating congestion, costing millions in delay time. As our need to transport cargo increase, the river becomes more important. Navigation on the rivers supports more than 400,000 jobs. Barges keep more than 4 million trucks off the highways. The time has come to build five new 1,200-foot locks on the Mississippi River and two new 1,200-foot locks on the Illinois River.

Jerry Feldhaus, St. Louis Building and Construction Trades Council: The expansion of the lock and dam system is critical to the economy of the St. Louis metropolitan area. The locks will provide highly skilled well paying jobs and many other jobs not directly related to construction. The expansion is necessary to preserve and protect the current economics of the region. It is critical that the country maintain this important commercial highway.

Tyler Harris, Missouri Coalition for the Environment: It is important that the Corps recognize the significance of the Upper Mississippi River ecosystem, both in terms of the “ecological services” it provides to humans and wildlife and also the tremendous economic benefit it provides to nearby communities. However, the Upper Mississippi River is in poor health due to past management practices that focused primarily on navigation and flood control. The study must account for 60-plus years of environmental degradation under the current management plan. The full environmental cost of the current navigation system should be included in all benefit-cost ratio calculations. The study should include a comprehensive review by an independent group of experts.

Lynn M. Muench, The American Waterways Operators-Midcontinent Office: The waterways industry provides the nation with the safest, most environmentally friendly, and cost-effective form of commercial transportation. Without immediate lock modernization, air pollution and the quality of life will severely deteriorate throughout the basin. We must protect one of the few positive balance of trade items: agricultural products.

Richard L. Guebert Jr., Farmer: The Navigational Study results and recommendations are vital to American agriculture and this nation’s economy. US agriculture has a competitive edge in exporting because of the infrastructure. The advantage may be lost if improvements are not made in a timely manner. The extension of the locks will not only reduce congestion, but it will improve efficiency, provide over 400,000 jobs, maintain and improve recreation, and provide a water supply source. We must continually improve our river infrastructure to maintain our competitiveness in the global market.

Jim Benson, Conservation Chair, Piasa Palisades Group, Sierra Club: Military brushed over “cooking of books.” Hard to believe the military and barge companies when they say that the barge industry is environmental friendly. The Corps is not addressing the effects that navigation has on flood levels. Studies are proving that navigation raises flood levels. Dams are targets for terrorists. Barge transportation costs less because it is highly subsidized. Suggests subsidizing the family farmers and not the barge companies. There will be a lot more jobs if there are other forms of transportation in use.

Jack McCormick, Farmer: Inefficiencies cost him 10 cents a bushel, or \$6,000 a year. Supports all navigation improvements on the Upper Mississippi River.

Glenn R. Meyer, Illinois Farm Bureau Board of Directors: Barge traffic on the Upper Mississippi River and Illinois effectively “sets the bar” for grain shipping costs. Shipping costs are key in setting the price for all farmers, on and off the river. If the locks were closed, there would be a large increase in truck traffic, polluting the environment. It is vitally important to the local, state and national economy that the Mississippi and Illinois Rivers be an effective part of the delivery process for our products. The Illinois Farm Bureau supports the construction of 1,200-foot locks and a multiple-use strategy.

Caroline Pufalt, Ozark Chapter Sierra Club: We are pleased that the Corps has decided to emphasize balance and sustainability. The Corps has historically been biased in favor of navigation at the expense of the environment. The river has deserved more respect and protection than it has received. Hopes that balance and sustainability are more than just the Corps’ newest PR.

Ronnie L. Inman, New Bourbon Regional Port Authority, Tower Rock Stone Company: If the locks are not upgraded there could be grave economic consequences both locally and nationally. It could cost jobs to the immediate area and keep the Midwest economy in a stagnant and less efficient competitive nature. Everyone needs to work together. Weigh the value of human existence in the future as compared to the environmental impact on the environment. Urges the Corps to move forward with what is known today and provide support for addressing future impacts when we know more later.

Dan McGuinness, Audubon Society: The river is an important place for farmers, the economy, and the environment. The government has declared the Mississippi River a national ecosystem as well as a nationally significant navigation system. If we are going to achieve sustainability for the river, we are going to have to substantially increase federal funding for habitat restoration. The Environmental Management Plan budget is 12m, authorized to 30m. This amount is far short of the 140m that is spent for the operation and maintenance of the navigation system. Diversity of river uses is the key to the future.

Christine Pufola, Local Resident/Sierra Club, Piasa Palisades Group: The Sierra Club remains cautiously optimistic about the Corps’ new spirit of collaboration. The restructured study must give equal weight to environmental issues. The Sierra Club requests a moratorium on increased barge traffic until all environmental concerns are stabilized. The current form of mitigation needs to be stepped up, accounted for and monitored. According to government studies, water transportation is not the most efficient and environmentally friendly form of transportation. Barge activity is the most contributing factor in the degradation of the river.

Roger Hublick, Grain Farmer: One reason the U.S. is able to export to the world is that we have an economical transportation system on our waterways. South America can produce corn and soybeans at a much cheaper price than the US, but their cost of transportation is higher. Farmers are the first environmentalists and also want to protect the environment. Railroad and trucks are not environmentally friendly.

Jeff Atkinson, Grain and Feed Association, State of Illinois: Would like to see the navigation infrastructure upgraded. When we build a new highway, we don’t wait until traffic is at a standstill, we make improvements proactively not reactively. Grain elevator operators are economically driven. If barges are not the cheapest form of transportation, they will use another mode. The Corps needs to get moving on this and improve the commercial navigation infrastructure.

Jim Holsen, St. Louis Audubon Society: We are actively working to restore wetlands and wildlife habitat along the Mississippi and Missouri River corridors. We are glad to see that the Corps is working with other

federal, state and non-governmental organizations. The Corps must find adequate methods to quantify environmental costs and benefits.

Mark Cenou, Midland Barge Co.: We can no longer study this issue. Congestion costs all participants more money, and is actually harsher on the environment. Barge companies are the only commercial form of transportation that pays user fees. A free and open market decides the most economic form of transportation. Right now, the most economic form of transportation is a barge. If we didn't use barges, what other form of transportation would we use?

Chris Brescia, MARC2000: The government is involved in this process because the federal government created the first barge company on the Mississippi River to compete with the railroads. The government is also involved because the effects of this system are so widespread. The benefits are widespread to all sectors of the economy. There is insufficient funding in the Upper Mississippi River for environmental protection. MARC2000 supports environmental restoration and lock restoration. MARC2000 supports collaboration with all interested parties.

Greg Guenther, National Corn Growers Association: Exports are vital to the future of family farmers in the US. A modern, efficient river transportation system is the key to supporting commodity prices and keeping transportation and input costs down and contributing to higher grain prices due to a better competitive position on the US market for US farmers. Supports the environmental aspect of the river. All we get out of self-appointed "environmentalists" is obstruction. Only economically strong countries can afford to be environmentally conscious. The river system is the key to our economic strength. We need this study completed on time.

Paul Bertles, National Corn Growers Association: Farmers have the advantage of a low cost transportation system that allows grain to enter other markets. As this system deteriorates, farmers are losing their advantage. The environmental activist industry needs to tell everyone what they want environmentally on the river. Global grain markets are shifting to Asia, however the exports out of the Gulf of Mexico are continuing to rise because barges, despite the deterioration are still the cheapest form of transportation. Environmental groups are preventing farmers from investing in value-added agriculture.

Mark Beorkrem, Mississippi River Basin Alliance: We have moved into a spirit of collaboration, but we have to confront the history of mismanagement of the past. In the past we haven't addressed the fact that we are not investing in the environment, but this study is finally addressing the environment. Since the 1980s, investments in the dams have been about \$3 billion, but we have only invested \$220 million in the environmental management program. The battle now is coming up with the money, striking a balance, and sustaining an environment and navigation system. It will take compromise to come up with a plan.

Mark Fletcher, Ceres Consulting L.L.C: Without maintenance and improvements to our waterways, everyone will be forced to pay higher transportation costs to export their products. This will ripple through the economy, affecting many people. Every delay to improvements on the lock system on our rivers is a waste of taxpayer's hard earned dollars and an opportunity for our neighbors in South America and around the world to plant more crops. Please help keep the freight our country needs moving on this environmentally friendly mode by assuring these much needed repairs and improvements are done now.

A.J. Guthrie, Lafarge North America: Barge transportation is the most efficient, low cost method of moving our products from one location to another. Materials are transported by barge in an efficient and environmentally friendly manner. River transportation also serves to keep transportation rates competitive, and that is good for everyone. Lafarge North America supports the resumption of the Navigation Study, but ten years of studying what we need to meet future demand is too long and wasteful.

Jeff Parker, Illinois Soybean Association: We need an efficient transportation system to deliver products; therefore, we support the 1200 ft. lock and dam expansion on the Upper Mississippi and Illinois Rivers.

Jeffrey Marmorstein, Former COE employee: Who's looking out for the public that is not represented here? The public doesn't have a vested interest and expects the studies are being conducted in a fair and objective manner. It is wrong to put an enormous amount of pressure on people to come up with certain results. If we can't conduct an objective study, we should just cancel it. Has serious concerns about the system that the Corps works under.